

## CITY OF SHEBOYGAN

### REQUEST FOR TRANSIT COMMISSION CONSIDERATION

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**ITEM DESCRIPTION:** 6. Presentation of 2024 Transit Budget for Shoreline Metro

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**REPORT PREPARED BY:** Derek Muench, Director of Transit & Parking

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**REPORT DATE:** 7/11/23

**MEETING DATE:** 7/18/23

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#### FISCAL SUMMARY:

Budget Line Item:	N/A
Budget Summary:	N/A
Budgeted Expenditure:	N/A
Budgeted Revenue:	N/A

#### STATUTORY REFERENCE:

Wisconsin Statutes:	N/A
Municipal Code:	N/A

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#### BACKGROUND / ANALYSIS:

Shoreline Metro has submitted its 2024 budget for Transit Commission review. The budget will be submitted to the City of Sheboygan Finance Director and City Administrator for review and incorporation into the City's 2024 Executive Budget.

#### STAFF COMMENTS:

The Director of Transit & Parking has assembled the transit budget for 2024 and submitted for the review of the Transit Commission. Budget highlights include an estimated 0 percent increase in health insurance costs and 2 percent wage increases for non-represented employees including step increases on the non-rep comp plan. The budget also incorporates ongoing local support from the City of Sheboygan, City of Sheboygan Falls, Village of Kohler, Sheboygan County and the Sheboygan Area School District. No increases in local share amounts is planned for 2024.

It should be noted that the City's local share is budgeted for 2024. This amount had been \$0 in 2022 and 2023 as we used CARES Act/ARPA funds in place of the City's local share. It is possible that some or all of the local share may be used by the City for other projects. If this would be the case, CARES Act/ARPA funds would be again used to offset the local match.

Overall, the budget increases by \$43,899.62 from 2023. Expected funding through state and federal mass transit aids are expected to remain somewhat stable from 2022/2023 (but still higher than historical funding levels). In 2023, the combined funding is 58.25%. A conservative 57% was used to construct the 2024 budget. Further adjustments to revenues

were made as well. There are no proposed changes to personnel, staffing, routes or service levels in 2024.

**Budget highlights:**

- Due to ongoing collective bargaining and arbitration, represented employee wages and benefit summaries have been omitted from this summary.
- HotSpot was introduced in 2022 and its fees (and expected revenues) were adjusted into the 2024 budget as well. Revenues continue to increase due to increased purchases using the HotSpot app.
- Fuel, parts and maintenance are expected to remain at or below normal levels in 2024.
- Shoreline Metro will again have the flexibility to use CARES Act/ARPA funds to make up losses in revenue, assist with added expenses and take pressure off the local share contributions by the municipalities. CARES Act/ARPA funds won't be understood until the end of 2024 but these funds will be discussed in greater length with the City Administrator and the Finance Director.

**ACTION REQUESTED:**

Staff recommends the support of the 2024 transit budget for Shoreline Metro as presented by the Director of Transit & Parking and recommends inclusion into the City of Sheboygan 2024 Executive Budget.

**ATTACHMENTS:**

- I. 2024 Transit Budget;